

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER COMPANY)
FOR AN ORDER APPROVING ACCOUNTING PRACTICES))
TO ESTABLISH REGULATORY ASSETS AND LIABILITIES) CASE NO.
RELATED TO THE EXTRAORDINARY EXPENSES) 2012-00445
INCURRED BY KENTUCKY POWER COMPANY)
IN CONNECTION WITH FOUR 2012 MAJOR)
STORM EVENTS)

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO KENTUCKY POWER COMPANY

Kentucky Power Company ("Kentucky Power"), pursuant to 807 KAR 5:001, is to file with the Commission the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though

correct when made, is now incorrect in any material respect. For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to paragraph 4 of the application and the response to Item 1 of Commission Staff's First Request for Information ("Staff's First Request"). Reconcile the difference in the number of overhead drops indicated in the application of approximately 180,000 to the number of overhead drops indicated in the response to Item 1 of approximately 150,107.

2. Provide the latest date that an order could be issued in this case after December 31, 2012 that would allow Kentucky Power to record the regulatory asset on its books for the fiscal year ending December 31, 2012.

3. Refer to Kentucky Power's application, Exhibit 1, and the response to Item 7 of Staff's First Request.

a. Do the amounts reflected in column 3 titled "Storm Damage Expense Excluding In-House Labor" reflect costs associated with any Major Event Storms, or do the amounts reflect only costs associated with Non-Major Event storms?

b. If the answer to 3.a. is only costs associated with Non-Major Event storms, why is the Three-Year Total Storm Damage amount of \$904,953 deducted from

the Major Event Storm Damage Incremental Amount in the Company's response to Item 7, page 3 of 12, considering the fact the Company incurred \$5,021,165 in Non-Major Events Storm expense in calendar year 2012 per the response to Item 12 of Staff's First Request.

4. For the most recent ten years, or the most number of years the information is available, provide the total yearly storm-damage expense, excluding in-house labor, broken down by Major Event Days and Non-Major Event Days.

5. Refer to the response to Item 7.b. of Staff's First Request. Provide updated schedules as of the most recent date for which the information is available.

6. How long has Kentucky Power followed IEEE Standard 1366 to determine a Major Event Day?

7. Provide a listing of all regulatory assets relating to storm damage that Kentucky Power has requested and been granted for the last ten years. Include a description of the event, case reference, when the regulatory asset was established on Kentucky Power's books and the amount of the asset when established, and the current balance of the regulatory asset related to storm expense.

8. Refer to paragraph 40 of the application and the response to Item 7.b. of Staff's First Request.

a. Provide a detailed schedule of the costs considered to be normal operations in the amount of \$1,229,702. Include all supporting calculations and documentation.

b. Explain why this amount has decreased from \$1,349,764 in the application to \$1,229,702 in the response to Item 7.b.



Jeff Deroven
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40601

NOV 21 2012

DATED _____

cc: Parties of Record

Case No. 2012-00445

Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

Honorable Mark R Overstreet
Attorney at Law
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KENTUCKY 40602-0634

Ranie Wohnhas
Managing Director
Kentucky Power Company
101A Enterprise Drive, P.O. Box 5190
Frankfort, KENTUCKY 40602